



CITY OF SUNNYVALE

DEPARTMENT OF FINANCE

January 23, 2009

TO: Honorable Mayor and Members of the City Council

THROUGH: Mary Bradley, Director of Finance

FROM: Drew Corbett, Budget Division

SUBJECT: Budget Issues Submission for Public Hearing

Enclosed in this section of your Council Packet are the thirteen budget issues that have been submitted for consideration at today's Budget Issues Workshop. Seven of these budget issues were submitted for inclusion into the original Council packet for the January 6th public hearing. These budget issues are as follow:

- Accelerating Installation of Sidewalk Access Improvements/Accessible Pedestrian Curb Ramps
- Planning Commission Training Budget
- Connecting the John Christian Trail to Lakewood and Fairwood Elementary Schools as Destinations and Locations of Bicycle Parking
- Development of a Multi-Media Educational Program on Traffic Safety
- Establish a Budget for Bike to Work Day
- Provision of Bicycle Parking Facilities at Major Community Events such as the Farmer's Market and the 4th of July Celebration
- Enforcement Campaign of Bicycle and Pedestrian Related Traffic Violations

Additionally, six new budget issues were proposed at the public hearing. These new budget issues have been summarized by staff and included with this memo. The new budget issues are as follow:

- Closed Captioning for Government Access Television (KSUN-15) Coverage of Council Meetings
- Establish Dedicated Web Content Manager
- Parliamentary Procedure Training Consultant
- Remove Council from PERS and Health Care Coverage
- Expanding the Posting of Legal Ads
- Electronic Utility Bill Presentment and Payment

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Closed Captioning for Government Access Television
(KSUN-15) Coverage of Council Meetings

Lead Department: OCM

Element or Sub-element: 7.2 Community Engagement: Informing the Community;
Access to Information, Services and Programs

1. What are the key elements of the issue? What precipitated it?

This is a proposal to add closed captioning to broadcasts of government meetings on KSUN-15, Sunnyvale's government access television station. Currently, City Council and Planning Commission meetings are the only regularly-broadcast meetings on KSUN-15. Closed captioning would give KSUN-15 viewers the ability, at the viewer's option, to display dialogue text on the television screen while watching a meeting.

The request to explore the possibility of adding closed captioning to KSUN-15 broadcasts was made by Councilmember Whittum.

2. How does this relate to the General Plan or existing City Policy?

Sub-element 7.2 Community Engagement includes a discussion on "Informing the Community; Access to Information, Services and Programs." In addition, closed captioning would further the City's efforts to reach those residents who are Comcast Cable Television subscribers and who are hearing-impaired.

3. Is the budget issue a: PROJECT _____ OPERATING X

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

The service level related to providing information to the community via cable television (KSUN-15) is a capability to reach more members of the community with our information. Closed captioning is used not only by hearing-impaired members of the audience, but also by many people with no impairment.

5. Origin of issue: Council X Councilmember Whittum

Board and Commission _____ Board/Commission: _____

Staff _____ Department _____

6. **Projected cost (list rough annual cost of budget item):**

Operating Issue	\$ <u>25,000</u>	(Annual Operating Costs)
Capital/Project	\$ _____	(Project Cost)
	\$ _____	(Associated Annual Operating Costs)

For closed-captioning, there is an initial one-time equipment purchase of approximately \$10,000 for encoder and modem equipment. We will also need to maintain two dedicated telephone lines for the service (outbound audio and inbound data). The actual transcription service is billed at between \$110 and \$145 per meeting hour, which would be approximately \$25,000 per year, with some variation based on the actual number of Council meetings and the total length of those meetings.

7. Staff Evaluation and Recommendation of Proposed Budget Issue:

Refer Budget Issue for Consideration in Recommended Budget _____

Defer Budget Issue to Future Fiscal Year X


Drop Budget Issue

Recommend deferral of this item to a future fiscal year, given the current financial condition of the City and the future economic outlook. Closed captioning is not critical to the functioning of current broadcast operations.

Reviewed by:


Robert Walker, Assistant City Manager

Reviewed by:



Gary Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Establish Dedicated Web Content Manager

Lead Department: OCM

Element or Sub-element: 7.2.17

1. What are the key elements of the issue? What precipitated it?

Four years ago, the city manager tasked the Communications Division with revamping the City's Web site home page. No budget was allocated in that year – or subsequent years – to hire a Web design consultant to assist in the project. Furthermore, because of the amount of anticipated staff time that would be required for the project, the scope of consideration was the home page only, with specific guidance to not get involved in the subordinate Web pages on our site.

A joint working group with ITD and Communications representation was formed and more than a dozen public focus groups were held to determine both current best practices as well as the desires of the community in terms of the design of the City's portal. Following approval by the Executive Leadership Team (ELT), a new design was adopted and introduced in 2007.

There currently are no staff members dedicated to maintaining consistency with the City's Web site and, while ITD and Communications staff have been available to assist department Web editors, the amount of ongoing work to be done surpasses current staffing capabilities. It should be noted that this position is for a Web content manager, not a webmaster. A webmaster typically is responsible for infrastructure issues, such as repairing broken links and ensuring the Web site, as a whole, works properly. This role is currently fulfilled by ITD staff.

A Web content manager, however, is responsible for what goes on those pages that make up the City's Web site. Content-related issues such as page design and writing style, language, readability and creation of policy related to these topics all fall under the responsibilities of the Web content manager.

The request to explore the possibility of adding a Web content manager was made by Councilmember Hamilton.

2. How does this relate to the General Plan or existing City Policy?

Council Policy 7.2.17 establishes policy that requires appropriate information be made available to the public via the Internet and expresses support that

information be as easily available as possible. The Council Policy also seeks to promote the use of the Internet to improve the quality of life for Sunnyvale residents and the use of the Internet to deliver information to Sunnyvale residents.

3. Is the budget issue a: PROJECT _____ OPERATING X

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

A dedicated Web content manager will standardize the use of the City's Web site among staff and ensure best practices in Web management are followed. It is expected that this will lead to a higher degree of satisfaction with our Web site among visitors, expanding use of the Web site by the population at large,

5. Origin of issue: Council X Councilmember Hamilton

Board and Commission _____ Board/Commission: _____

Staff _____ Department _____

6. Projected cost (list rough annual cost of budget item):

Operating Issue \$ 105,420 (Annual Operating Costs)

Capital/Project \$ _____ (Project Cost)

\$ _____ (Associated Annual Operating Costs)

7. Staff Evaluation and Recommendation of Proposed Budget Issue:

Refer Budget Issue for Consideration in Recommended Budget _____

Defer Budget Issue to Future Fiscal Year X

Drop Budget Issue _____

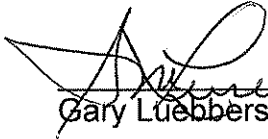
Recommend deferral of this item to a future fiscal year, given the current financial condition of the City and the future economic outlook. A Web content manager is not critical to the functioning of the City's Web pages.

Reviewed by:

A handwritten signature in cursive script, appearing to read "Robert Walker", written over a horizontal line.

Robert Walker, Assistant City Manager

Reviewed by:

A handwritten signature in cursive script, appearing to read "Gary Luebbers", written over a horizontal line.

Gary Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Parliamentary Procedure Training Consultant

Lead Department: Office of City Attorney

Element or Sub-element: N/A

1. What are the key elements of the issue? What precipitated it?

The City Council and City boards and commissions conduct business in meetings that are subject to rules of parliamentary procedure to maintain order and for consistency. Understanding the basics of parliamentary procedure is important for Council members and board and commission members. Councilmember Whittum suggested that an outside consultant could be brought in to provide parliamentary procedure training to the Council and City boards and commissions.

2. How does this relate to the General Plan or existing City Policy?

The Council-adopted Code of Ethics and Conduct, Section B.1 provides:

Meeting Chair

The Mayor will chair official meetings of the City Council, unless the Vice Mayor or another Councilmember is designated as chair of a specific meeting.

.....

- Makes parliamentary rulings with advice, if requested, from the city attorney who acts as an advisory parliamentarian. Chair rulings may be overturned if a Councilmember makes a motion as an individual and the majority of the Council votes to overrule the chair.

3. Is the budget issue a: PROJECT x OPERATING

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

5. Origin of issue: Council x Councilmember Whittum

Board and Commission **Board/Commission:**

Staff _____ Department _____

6. Projected cost (list rough annual cost of budget item):

Operating Issue \$ _____ (Annual Operating Costs)
Capital/Project \$ \$5,000 (Project Cost)
 \$ _____ (Associated Annual Operating Costs)

7. Staff Evaluation and Recommendation of Proposed Budget Issue:

Refer Budget Issue for Consideration in Recommended Budget _____

Defer Budget Issue to Future Fiscal Year _____

Drop Budget Issue _____ x

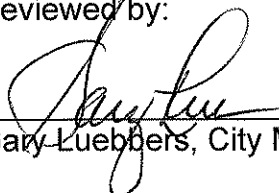
Any training on parliamentary procedure requested by the Council or a board or commission can be provided by the City Attorney's Office at no additional cost. Basic training on parliamentary procedure is already provided to new Council members and board and commission members as part of their orientation. Any classes in parliamentary procedure provided by an outside consultant would be subject to review and approval for content by the City Attorney. In this tight budget climate, expenditure of these funds is not necessary or appropriate, in staff's opinion.

Reviewed by:



David Kahn, City Attorney

Reviewed by:



Gary Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Remove Council From PERS and Health Care Coverage

Lead Departments: Office of City Attorney and Human Resources

Element or Sub-element:

1. What are the key elements of the issue? What precipitated it?

City Council members are covered by the California Public Employment Retirement System, and are eligible for participation in City health insurance coverage during service as a Council member, and subsequent participation and benefits based on years of service and current City policy for retirement health coverage. Several members of the public have expressed concern about the scope and cost of Council health and retirement benefits.

2. How does this relate to the General Plan or existing City Policy?

Government Code Section 20322 allows a Council member to elect to participate in the PERS retirement system. If election is not made to participate in the PERS retirement system, the City is required to contribute to Social Security on behalf of the Council member.

On June 21, 1988, the Council adopted an amendment to the Salary Resolution authorizing City contribution to benefit plans for Council members in an amount equal to City management employees.

3. Is the budget issue a: PROJECT _____ OPERATING _____x_____

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

5. Origin of issue: Council _____ Councilmember Whittum

Board and Commission _____ Board/Commission: _____

Staff _____ Department _____

6. Projected cost (list rough annual cost of budget item):

Operating Issue \$ (67,000) (Annual Operating Cost Savings)(based on 2007 Council health care costs; cost savings from PERS vs. Social Security undetermined)

Capital/Project \$ _____ (Project Cost)
\$ _____ (Associated Annual Operating Costs)

7. Staff Evaluation and Recommendation of Proposed Budget Issue:

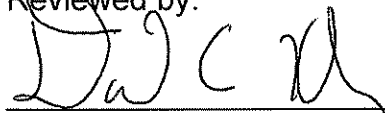
Refer Budget Issue for Consideration in Recommended Budget _____

Defer Budget Issue to Future Fiscal Year _____

Drop Budget Issue _____


Staff makes no recommendation regarding Council PERS and health care benefits. The Council previously considered options for Council health care benefits in RTC No. 07-061 on February 13, 2007, and voted to reduce health care benefits for Council members.

Reviewed by:



David Kahn, City Attorney

Reviewed by:



Gary Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Expanding the Posting of Legal Ads

Lead Department: Community Development Department

Element or Sub-element: Legislative/Management Sub-element

1. What are the key elements of the issue? What precipitated it?

Councilmember Whittum requested a budget issue to consider expanding the posting of ads. The interest is to place a public notice ad in a second or alternative newspaper.

Currently, public hearing applications require noticing and posting according to the regulations in the Municipal Code. These include different requirements, such as placing a notice on site, at the library, the Community Center or neighborhood centers, and placing ads in the local paper. The City now places these ads in the Sunnyvale Sun. In order to post ads to a second paper (such as the San Jose Mercury News-West Valley edition), there would be an additional cost which is not currently budgeted. The cost for advertising in the Mercury News (West Valley edition) versus the Sun is 3.7 times greater. The additional expense to add the Mercury News for the Sun for just the Land Use Planning program would be \$45,000 per year. The added expense of substituting the Mercury News for the Sun would be \$32,800 per year.

2. How does this relate to the General Plan or existing City Policy?

COMMUNITY ENGAGEMENT SUB-ELEMENT

Policy A.2 – Provide accurate and thorough information in a timely manner to ensure that community members have an opportunity to respond effectively.

A.2c. Ensure that effective public notification and access, in accordance with relevant laws and City Council policies, are provided to enhance meaningful community participation in the policy making process.

A.2g Ensure that public notification measures are proportionate to the magnitude and public sensitivity of issues.

FISCAL SUB-ELEMENT

Long Range Goal: To fund only those programs and projects which are consistent with the General Plan and which are anticipated to most cost-effectively implement the Plan.

A.1: Development of the Budget and Resource Allocation Plan

A.1.10. Resources will be allocated in direct relation to General Plan goals.

A.1.11. The Resource Allocation Plan shall be prepared by General Plan element to link city resources with the accomplishment of General Plan goals.

A.1.12. New or expanded services should support the priorities reflected in the General Plan.

B.5: User Fees

B.5.4. User fees should be established at a level which reflects the full cost of providing those services.

B.5.5. The City Council may determine for any service whether a subsidy from the General Fund is in the public interest.

3. Is the budget issue a: PROJECT _____ OPERATING ___X___
4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.
Expanded newspaper ad notices for planning applications.
5. Origin of issue: Council _Councilmember Whittum _____
Board and Commission _____ Board/Commission: _____
Staff _____ Department _____
6. Projected cost (list rough annual cost of budget item):
- | | | |
|-----------------|--------------------|-------------------------------------|
| Operating Issue | \$ 45,000.00 _____ | (Annual Operating Costs) |
| Capital/Project | \$ _____ | (Project Cost) |
| | \$ _____ | (Associated Annual Operating Costs) |

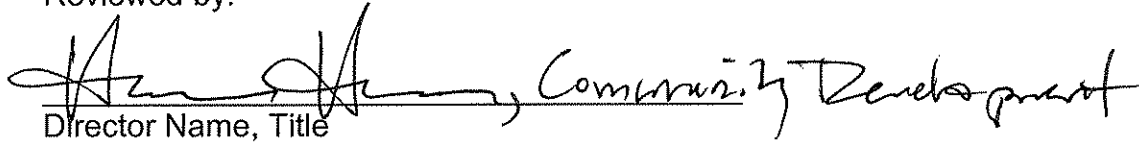
7. **Staff Evaluation and Recommendation of Proposed Budget Issue:**

Refer Budget Issue for Consideration in Recommended Budget _____

Defer Budget Issue to Future Fiscal Year _____

Drop Budget Issue _____X_____

Reviewed by:


Director Name, Title

Reviewed by:


Gary Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Electronic Utility Bill Presentment and Payment (EBPP)

Lead Department: Finance

Element or Sub-element: Fiscal Sub-Element

1. What are the key elements of the issue? What precipitated it?

The City of Sunnyvale Utility Billing, Collection, and Revenue Management Program (the Program) in the Department of Finance is responsible for the billing and collection of revenue for the City's three public utilities (solid waste management, water supply and distribution, and wastewater management). A significant portion of the Program's operation is responding to billing inquiries, collecting receivables and processing utility payments from the City's residential and commercial utility customers.

Currently, the Program handles approximately 35,000 customer contacts both over the phone and in person. The Program also sends approximately 195,200 utility bills a year, and receives and processes approximately 198,500 payments a year. These payments come via check payments received by mail and over the counter, credit card payments by phone and over the counter, electronic payments (payments received through customer's bank web sites) and direct debit bank draft (ACH).

The Program is focusing on implementing cost effective technological improvements over the next five years. The intent is to allow the program to absorb the impacts of service changes and increasing demands for services. This mission is supplemented by an effort by the program to improve customer service through the provision of information to customers, with the next logical step being the implementation of Electronic Bill Presentment and Payment (EBPP).

Customer demand has increased for the City to provide fully featured web access that allows customers to view bills, access billing and payment history, as well as accept electronic bill payment. Furthermore, customer demand has increased for email presentation and payment (eBill), the option to securely deliver bills and offer payment options via email. In fact, a recent survey by CheckFree, a large payment processing company, found that 69% of U.S. online households are paying at least one bill online.

The City's current utility billing system vendor, Sungard HTE, offers a front end solution providing a gateway to customers with interactive web access to utility

services, as well as the ability to pay their utility bills over a secure Internet connection using a credit card. Staff will evaluate this product and compare it to other products. Once a decision is made, staff will move forward with implementation anticipated for sometime during FY 2009/2010.

2. How does this relate to the General Plan or existing City Policy?

EBPP is covered from a policy perspective in two primary areas. First, Fiscal Sub Element Goal A.3.3 states that "An emphasis should be placed on achieving maximum work productivity to ensure an optimal allocation of human and fiscal resources for Council approved services and programs."

Second, the Utility Billing Program currently has three program measures that may be affected by this project:

Measure P2. Collection of utility revenues will be maintained at 99% of Total Utility Revenues Invoiced. EBPP will provide another venue for payment and extend options for making last minute payments. The City's collection rate is tracking very high at over 99% of revenues invoiced. This change should help us maintain that very high level.

Measure P4. Customer service surveys rate utility billing customer service as satisfactory or higher. Staff anticipates that results will improve in this area as there is a demand for this service. Staff hears regularly from the City's customers that they feel the City is behind in providing this service.

Measure C4. The annual cost to process, print, and distribute utility bills will be less than or equal to the planned cost. To the extent that the City is able to push bills via email, cost for paper and postage will be reduced.

3. Is the budget issue a: PROJECT x OPERATING X

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

The increasing trend towards internet payment has been driven by customers who want the convenience and time savings associated with being able to access, view and remit their bills directly online. The convenience offered through EBPP is attractive to the City's customers. With EBPP, customers will realize the following benefits:

- The ability to review bills and make payments when they want, 24 hours a day at the customer's convenience
- Direct control over the timing and amount of the payment
- Simplification of bill payment processing and record retention

- Centralizing and streamlining of all bill payment functions and storage on the customer's computer
- Reduction or elimination of paper filing and storage
- A savings on the cost of checks, postage and envelopes

With EBPP, the City has the opportunity to:

- Improve customer service
- Leverage the delivery power of the Internet to provide and promote services
- Integrate with the existing utility billing and payment system, reducing time and expense processing payments
- Reduce printing and mailing expense
- Reduce paper expense and waste
- Improve cash flow and posting time

5. **Origin of issue:** Council ___x___ Councilmember ___Hamilton___

Board and Commission _____ **Board/Commission:** _____

Staff ___x___ **Department** Finance (submitted but not approved as a budget supplement for FY 2008/2009)

6. Projected cost (list rough annual cost of budget item):

The cost to design and implement this project will not exceed a cost of \$80,000 in one time costs, with an additional \$8,000 per year in hardware and software maintenance costs. This estimate is based on the cost for an out-of-the-box product.

Funds are available in the City's Water, Wastewater, and Solid Waste Enterprises. Staff recommends that both the initial and ongoing funding be based on the percentage of revenue collected by each enterprise as follows:

	Water Enterprise (30%)	Wastewater Enterprise (30%)	Solid Waste Enterprise (40%)	Total
Initial Funding	\$24,000	\$24,000	\$32,000	\$80,000
Ongoing funding	\$2,400	\$2,400	\$3,200	\$8,000
Total	\$26,400	\$26,400	\$34,200	\$88,000

There will be additional costs to the city for credit card fees and other fees charged by the bank for accepting payments on line. These fees are typically a percentage of

the transaction and are therefore difficult to project. The cost impact of these fees will be partially offset by reduced bank fees for processing checks. The remainder could be recovered through the application of a "Convenience Fee" charged to the customer at the time of the transaction. The City currently does this for over the phone credit card payments, charging 3% of the total. Alternately, the cost could be absorbed under the assumption that a customer who subscribes to and pays their bill on line is in fact reducing cost to the city by avoiding the need to print and send a utility bill.

Staff will make an effort to promote this service through utility bill stuffers and through encouraging new and existing customers to sign up as they call in to start, change, or inquire about their utility account.

Operating Issue	\$	<u>8,000</u>	(Annual Operating Costs)
Capital/Project	\$	<u>80,000</u>	(Project Cost)
	\$	<u></u>	(Associated Annual Operating Costs)

7. Staff Evaluation and Recommendation of Proposed Budget Issue:

Refer Budget Issue for Consideration in Recommended Budget X

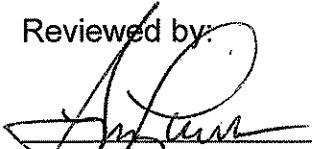
Defer Budget Issue to Future Fiscal Year

Drop Budget Issue

Reviewed by:


Mary Bradley, Director of Finance

Reviewed by:


Gary Luebbers, City Manager